

Message Text

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12
ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 FEA-01 ERDA-05 AID-05

CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00

ACDA-07 PRS-01 /113 W
----- 126201

R 031416Z AUG 76
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 5901
INFO AMEMBASSY ABU DHABI
USINT BAGHDAD
AMCONSUL DHAHRAN
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY LONDON
AMEMBASSY TEHRAN

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E.O. 11652: N/A
TAGS: ETRD, ENRG, KU
SUBJ: PARKER DRILLING CO. NEGOTIATES TO DRILL IN BURGAN FIELD

1. ON MOST RECENT OF SEVERAL VISITS TO EMBASSY, REPRESENTATIVE OF PARKER DRILLING CO. OF TULSA, OKLA. TOLD EMBOFF THAT HIS FIRM IS ON VERGE OF SECURING CONTRACT TO DRILL GAS WELL IN BURGAN FIELD. THIS GENERALLY CONFIRMS OPINION OF LOCAL BUSINESSMEN KNOWLEDGEABLE IN PETROLEUM MATTERS THAT PARKER HAD WON UPSET VICTORY OVER WELL-ESTABLISHED AND INFLUENTIAL KUWAIT DRILLING CO., PRIVATE FIRM WHICH IS IN PARTNERSHIP WITH SANTA FE DRILLING. PARKER AND KDC WERE ONLY TWO FIRMS IN COMPETITION AND PARKER BID REPORTEDLY MUCH LOWER THAN THAT OF ITS RIVAL.

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2. PARKER REP SAID THAT WHILE KUWAIT OIL CO. (KOC) AND MINISTRY OF OIL OFFICIALS ARE TREATING HIS FIRM AS CONTRACT WINNER, KOC HAS NOT YET GIVEN FORMAL NOTIFICATION OF TENDER AWARD. DESPITE LOW BID, PARKER HAS BEEN ASKED BY KOC TO REDUCE ITS BID QUOTE AS SIGN OF GOOD FAITH AND SERIOUSNESS ABOUT DOING BUSINESS IN KUWAIT. ALTHOUGH THIS IS STANDARD KUWAITI TACTIC IN CONTRACT NEGOTIATIONS, IN OIL BUSINESS AS WELL AS NON-PETROLEUM RELATED PROJECTS, IT CAUGHT PARKER SOMEWHAT BY SURPRISE SINCE COMPANY IS NEW TO KUWAIT. PARKER HAS AGREED TO PRICE REDUCTION AND IS HOPING TO WIN ASSIGNMENT FROM KOC TO DRILL ADDITIONAL WELLS. SUBSTANTIAL SURVEY INFORMATION SUPPORTS SPECULATIONS THAT LARGE GAS DEPOSITS EXIST IN BURGAN BUT PARKER REP FEELS ADDITIONAL DRILLING NECESSARY TO PINPOINT OPTIMUM SITE.

3. WELL DEPTH WILL BE APPROX. 20,000 FEET, DEEPEST YET IN KUWAIT. PRESENT SCHEDULE CALLS FOR DRILLING TO BEGIN AUGUST 1977 AND WITH COMPLETION OF DRILLING AFTER 300 DAYS. PARKER SAYS NEITHER DEPTH OF WELL NOR GEOLOGIC FORMATIONS PRESENT UNUSUAL PROBLEMS. NEXT STEP IS TO DRAFT CONTRACT AND PARKER PLANS TO SEND DELEGATION TO KUWAIT NEXT WEEK TO ACCOMPLISH THIS.
MAESTRONE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPLORATORY DRILLING
Control Number: n/a
Copy: SINGLE
Draft Date: 03 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KUWAIT03668
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760299-1150
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760893/aaaaddox.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAY 2004 by buchant0>; APPROVED <08 SEP 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PARKER DRILLING CO. NEGOTIATES TO DRILL IN BURGAN FIELD
TAGS: ETRD, ENRG, KU, PARKER DRILLING CO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006